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V-41: AIR
SPECIFY AIR OR SEA POUCH

DISPATCH NO. 8471-7161
(8471/3281)

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CLASSIFICATION

TO: Chief, Foreign Division X

DATE: 27 November 1950

FROM: Chief of Station, Vienna

SUBJECT: GENERAL: Operational

SUBJECT: Specific: Soviet-Sponsored Ex-Nazis

1. In response to a request for information on examples of Soviet-sponsored ex-Nazis who are engaged in political activity or other overt nefarious pursuits, Greengrocer 1 commented that Adolf SLAVIK was probably the most conspicuous case of this sort but that even here no evidence of Soviet linkage had been established. SLAVIK has personally boasted of Soviet support and on some occasions has announced that he would prove his contention but he has never done so. It has also been rumored that the Demokratische Union had received Soviet financial assistance but this probably is not true. Franz HALL, a Volksdeutscher from Hungary, is attempting to organize the tens of thousands of Volksdeutsch refugees in Austria; there is no question that HALL is a Soviet agent. He was formerly a member of the Hungarian Arrow Cross Fascist Party. Guntar HALL is another example of a Soviet-backed individual. Lately, HALL's prominence in economic matters has dwindled.

* Greengrocer 1 queried us on Franz HALL, who was arrested recently as a swindler and who alleged to his police interrogator that he had received 150,000 Schillings from the Americans for consignment to the Demokratische Union. It is known that HALL had been held at the Mauthausen Concentration Camp by the Nazis and that he had worked for an American office in Linz, Upper Austria, from 1946 until 1948. Greengrocer 1 was disinclined to believe the HALL version of the money grant, primarily because of the large sum involved. He added quizzically that if the sum had been 15,000 instead of 150,000 he would probably have believed HALL since the Americans have rendered financial support to some strange combines in Austria. (He was probably referring to CIC's support of Herbert KRAUS and the WU of which we know he is aware.)

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FORM NO. 81-20A
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SOURCE METHOD EXEMPTION 3B2B
NAZI WAR CRIMES DISCLOSURE ACT
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PLEASE COMMENT: Our files contain no records on JAMES EARL RAY.
We are checking 6-6 on this.